

Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 EB-07 IGA-02 NEAE-00 OMB-01 L-03

SS-15 SP-02 DODE-00 CIAE-00 INR-07 NSAE-00 NSC-05 H-02

PM-04 PRS-01 /065 W

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P 111200Z AUG 76

FM AMEMBASSY TUNIS

TO SECSTATE WASHDC PRIORITY 476

C O N F I D E N T I A L TUNIS 5618

FOR AID ADMINISTRATOR PARKER AND ASSISTANT SECRETARY ATHERTON
FROM AMBASSADOR.

E.O.11652: GDS

TAGS: USTSJC EAID TS US

SUBJECT: PROPOSAL TO TERMINATE AID PROGRAM IN TUNISIA

IN FY 79

REF: STATE 192468

1. I HAVE READ WITH SOME CONCERN THE REFERENCED TELEGRAM
REPORTING THE REVIEW OF OUR ANNUAL BUDGET SUBMISSION
FOR FY 78 WHICH TOOK PLACE IN WASHINGTON ON JULY 29.
AT THAT MEETING THE NE BUREAU OF AID PROPOSED THAT
UNDER THE AID PROGRAM IN TUNISIA, FY 79 BE THE LAST
YEAR FOR NEW PROGRAM OBLIGATIONS AND THAT THIS DECISION
BE COMMUNICATED TO GOT AT JOINT COMMISSION MEETING
IN WASHINGTON IN OCTOBER. AT THAT SAME MEETING, STATE
ARGUED ON POLITICAL GROUNDS FOR PHASEOUT TIMING THAT
WE PROPOSED, I.E., NO NEW COMMITMENTS AFTER FY 81, WITH
FORMAL NOTIFICATION TO GOT TO BE DETERMINED IN LIGHT
OF DISCUSSION AT JC MEETING AND IN LIGHT OF POLITICAL
DEVELOPMENTS. ISSUE WAS REFERRED TO AID ADMINISTRATOR
PARKER FOR DECISION.

2. IN STRONGLY SUPPORT STATE POSITION FOR FOLLOWING REASONS:

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A. GOT IS IN FINAL STAGES OF PREPARATION OF FIVE

YEAR PLAN FOR 1977 - 81, WHICH WILL BE MOST IMPORTANT IN HISTORY OF INDEPENDENT TUNISIA. WE EXPECT TO HAVE COPY OF DRAFT PLAN BEFORE JOINT COMMISSION MEETING, AND GOT WILL UNDOUBTEDLY EXPECT THIS TO BE MAJOR SUBJECT FOR DISCUSSION AT THAT MEETING. MINISTER OF PLAN ZAANOUNI HAS RECENTLY TOLD ME THAT FOREIGN CONTRIBUTIONS OF SUCH MASSIVE PROPORTIONS WILL BE REQUIRED THAT A US CONTRIBUTION OF \$25 MILLION A YEAR FOR THE FIVE YEARS OF PLAN WOULD NOT BE UNREASONABLE. HE APPRECIATED THAT US ECONOMIC ASSISTANCE AT THE LEVEL OF THE 1960'S COULD NOT BE EXPECTED BUT STRESSED THE PSYCHOLOGICAL IMPORTANCE TO TUNISIA IN HAVING US AT HER SIDE IN THE LAST LAP OF ITS 25-YEAR RACE TO THE TAKE-OFF POINT. WHILE I RECOGNIZE THAT WE PROBABLY CANNOT JUSTIFY A PROGRAM OF THAT MAGNITUDE (BARRING A SERIES OF ECONOMIC DISASTERS) FOR THAT LENGTH OF TIME, IT WOULD BE MOST UNFORTUNATE FOR OUR POLITICAL RELATIONSHIP WITH TUNISIA IF THE ONLY NEWS THAT WE HAVE TO CONVEY AT THE OCTOBER JOINT COMMISSION MEETING IS THAT WE WILL TERMINATE OUR ASSISTANCE IN THE MIDDLE OF THE PLAN (REGARDLESS OF WHETHER EXPENDITURES MIGHT CONTINUE FOR SOME TIME AFTER ACTUAL TERMINATION OF OBLIGATIONS). THIS WOULD GIVE INCORRECT IMPRESSION THAT WE DO NOT UNDERSTAND TUNISIA'S NEEDS, OR THAT WE DO NOT CARE ABOUT THEM.

B. OUR POLITICAL RELATIONSHIP WITH TUNISIA IS BECOMING MORE AND NOT LESS IMPORTANT. OUR SHOW OF SUPPORT THIS MONTH FOR TUNISIA AGAINST PERCEIVED MILITARY THREAT FROM LIBYA AT TIME OF PRESIDENT BOURGUIBA'S BIRTHDAY ELICITED WARMEST POSSIBLE EXPRESSIONS OF APPRECIATION AS HAS OUR DECISION TO INCREASE FMS CREDITS TO HELP MODERNIZE TUNISIAN ARMED FORCES. THIS KIND OF SUPPORT DIRECTLY RELEVANT TO FACILITIES BEING MADE AVAILABLE TO SIXTH FLEET, IMPORTANCE OF WHICH I DO NOT NEED TO SPELL OUT. WHEN COMMANDER SIXTH FLEET CALLED ON PRESIDENT BOURGUIBA ON HIS BIRTHDAY TO RECEIVE TUNISIA'S HIGHEST DECORATION, THE PRIME MINISTER TOLD ME THAT IN FUTURE THERE WOULD BE NO PROBLEM WITH SIXTH FLEET CALLING AT TUNISIAN PORTS AS OFTEN AS WANTED. WE OBVIOUSLY DO NOT WANT TO UNDERMINE THE SOLID RELATIONSHIP THAT IS BEING BUILT UP IN ONE AREA BY UNEXPECTED NEGATIVE DECISIONS

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IN OTHER AREAS. ON BASIS LAST JC MEETING, TUNISIANS EXPECT US TO MAINTAIN AID PROGRAM AT PRESENT LEVEL FOR FORESEEABLE FUTURE. FOR THEM FORESEEABLE FUTURE WOULD CERTAINLY BE NOT LESS THAN DURATION OF FIVE-YEAR PLAN.

C. TUNISIANS FEEL THEY HAVE STRONG BI-PARTISAN SUPPORT IN WASHINGTON FOR THEIR EFFORTS BUILD STABLE REGIME IN THIS PART OF WORLD, AS EVIDENCED BY VICE

PRESIDENT ROCKEFELLER'S PRESENCE AT 20TH ANNIVERSARY
CELEBRATIONS AND HIGH LEVEL RECEPTION ACCORDED PRESIDENT
BOURGUIBA'S SON (INCLUDING SECRETARY AND PRESIDENT)
AT TIME OUR BICENTENARY CELEBRATIONS. THIS IMPRESSION
HAS BEEN MUCH STRENGTHENED BY UNAMINOUS PASSAGE IN LAST
FEW DAYS OF SENATE RESOLUTION SPONSORED BY SENATORS
PERCY AND HUMPHREY LAUDING TUNISIA AND STATING THAT
"IT IS THE SENSE OF CONGRESS THAT THE UNITED STATES
SHOULD CONTINUE TO CONTRIBUTE TO THE MAINTENANCE OF
PEACE AND THE ECONOMIC AND SOCIAL DEVELOPMENT OF TUNISIA
THROUGH THE PROVISION OF APPROPRIATE LEVELS OF ECONOMIC
AND MILITARY ASSISTANCE."

3. IN LIGHT OF ABOVE I HOPE WE WILL BE IN A POSITION
TO TELL TUNISIANS AT OCTOBER JOINT COMMISSION MEETING
THAT WE WILL INDEED CONTINUE OUR ECONOMIC ASSISTANCE
THROUGH FY 1981 AND THAT WE CAN FURTHERMORE AT THAT TIME
ANNOUNCE SOME SPECIFIC STEPS THAT WE WILL BE TAKING IN
CONNECTION WITH TUNISIA'S FIVE-YEAR PLAN. I CONSIDER IT
ESPECIALLY IMPORTANT THAT WE MAINTAIN USG'S FLEXIBILITY
AT THIS TIME, HOWEVER NEAT IT WOULD BE FOR OUR OWN ORDERLY
HOUSEKEEPING PROPENSITIES TO MOVE TUNISIA INTO SOME OTHER
ARBITRARY CATEGORY OF AID ELIGIBILITY. LET US FOR
THE MOMENT RISE ABOVE SUCH A TEMPTATION UNTIL (A) WE
ARE MORE SURE THAT TUNISIA WILL IN FACT REACH THE
TAKE-OFF POINT BY 1981 AND UNTIL (B) WE HAVE HAD MORE
TIME TO WEAN THE GOT AWAY FROM ITS "CLIENT" MENTALITY.

4. SEPARATE MESSAGE WILL COMMENT ON TENTATIVE LOAN
PROPOSALS FOR TUNISIA CONTAINED PARA FIVE REFTEL.
MULCAHY

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